

**Workers' Compensation Advisory Board  
December 19, 2006 Meeting Minutes  
Illinois Workers' Compensation Commission, Chicago**

Those present at the meeting were:

Chairman      Dennis R. Ruth

Member:      David Buckman, CORE Construction Group  
                 James Brown, International Association of Machinists  
                 Mark Flannery, Caterpillar, Inc.  
                 Dave Menchetti, Cullen, Haskins, Nicholson, & Menchetti  
                 Kim Maisch,  
                 Dave Vite, Illinois Retail Merchants Association  
                 Elwood Flowers  
                 Michael Carrigan, Illinois AFL-CIO  
                 Kim Presbrey, Presbrey & Associates

Also Present: Jannice Eisbart, Insurance Compliance Manager  
                 Amy Masters, Chief of Staff/Secretary  
                 Ron Palmer, Division of Insurance, Workers' Compensation Fraud Unit Manager

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Chairman Ruth called the meeting to order at 1:35 p.m.

Upon motion duly made, seconded and unanimously carried, the minutes of the Commission held on September 26 were approved, with revisions made to reflect correct attendance.

The Chairman updated the board on the Commission's comprehensive medical fee schedule. He first discussed the development of the hospital outpatient fee schedule, created by Ingenix for diagnostics, path and lab, and physical therapy from bills generated in a hospital outpatient setting. The fee schedule utilizes the same commercial data source used in the development of the HCPCS and Professional Services fee schedules.

Additionally, the Chairman informed the group that medical fee schedule project manager Glen Boyle is also developing the hospital outpatient surgery facility fee schedule. This data was obtained through the Illinois Department of Public Health (IDPH).

The Chairman invited all members of the Workers' Compensation Advisory Board to attend the Medical Fee Advisory Board meeting scheduled in February, 2007, where the development and impact of the fee schedules would be discussed more in-depth.

The Chairman also provided an update on the balance billing forms being reviewed by the Medical Fee Advisory Board. The Illinois Medical Society recently made recommended additions and revisions and currently labor representatives are reviewing the forms.

The group then discussed alleged underpayments to providers by carriers and repricers and discussed ways to address these issues, including requirement of explanation of benefits (EOB) to ensure greater explanation of how benefits are paid. It was also suggested by Mr. Kim Presbrey that the Chairman send a letter to those carriers who are found to be intentionally underpaying, and Mr. David Vite offered to contact retailers who are self-insured about this issue. The group also discussed how repricers should be regulated. All of these issues were to be discussed at greater length at the next medical fee advisory board meeting.

The Chairman next provided a legislative update. He noted the 3<sup>rd</sup> commission panel is fully operational and all workers' compensation cases have been redistributed equally amongst all commissioners. He indicated he expects to see positive results from the 3<sup>rd</sup> panel in approximately one year, including reduction in both the time to resolve a case on review and in the backlog of cases.

The Chairman introduced Jannice Eisbart, manager of the IWCC Insurance Compliance department and Ron Palmer, manager of the Workers' Compensation Investigative Unit at the Department of Financial and Professional Regulation/Division of Insurance. Ms. Eisbart and Mr. Palmer provided the group with presentations regarding each respective department.

Ms. Eisbart provided an overview of the accomplishments of the Insurance Compliance division over the last year. As of December, Ms. Eisbart reported the division had raised \$400,000 for the Injured Workers' Benefit Fund, and recently collected their largest fine of \$70,000. The division has also ensured that 32 formerly noncompliant employers have become compliant and that 406 employees are now covered with workers' compensation insurance as a result of the departments actions. Additionally, the division is working closely with NCCI to pinpoint noncompliant employers; has streamlined investigatory procedures and prioritized cases; and works closely with the Attorney General's office and other state agencies.

Ms. Eisbart answered several questions from the board, explaining that the division accepts anonymous complaints, takes several issues into account when setting fine amount for each company; and has not yet issued a work-stop order, although one such case is in the process.

Next, Mr. Palmer provided an overview of the workers' compensation fraud unit. He explained currently he only has one other person on staff and investigations are restricted to 120 days. Anonymous complaints are not accepted, and cases are confidential until prosecution. At present the unit has 34 open cases and 17 cases have been referred to State's Attorneys' offices. A majority of those investigations are regarding claimants, and other cases involve employers, a health care provider and insurance provider.

Mr. Palmer also accepted several questions from the board, explaining that hundreds of calls have been received regarding workers' compensation fraud, and the unit has promoted their services through area newsletters.

Next, the Chairman informed the group of the arbitrators he selected per Section 19(p) of the Illinois Workers' Compensation Act. They are as follows:

Arbitrator Jutila  
Arbitrator DeVriendt  
Arbitrator Andros

Arbitrator Falcioni  
Arbitrator Nalefski

The board then established future meeting dates as follows on the 4<sup>th</sup> Tuesday of the 1<sup>st</sup> month of each quarter, alternating between Springfield and Chicago, at 1:30 p.m., as follows:

January 23  
April 24  
July 24  
October 23

The Chairman noted that commissioner terms, some soon to expire, would be discussed either at the January or April meeting.

Mr. James Brown announced that due to his retirement, he is resigning from the board, and he noted he enjoyed the time he served on the board.

Upon motion the Advisory Board meeting was adjourned at 2:45 pm.